

Income Tax Act

form their tax systems to the federal system, the new credit will be of the same benefit as the old to a taxpayer with a marginal tax rate of 40 per cent, that is, in the \$12,000 taxable income range. It will be of less benefit to those with higher marginal rates. It will be of more benefit to a taxpayer with a lower taxable income.

Members of the NDP look upon the Carter Report as the epitome of reform. I wonder if one of them will stand in his place and say that his party endorses Carter's proposed treatment of dividend income. In case they have forgotten that, as well as some other details of the report, permit me to remind them that the combined effect of Carter's recommendations of a flat corporation tax rate of about 50 per cent and a top marginal personal rate of 50 per cent, together with a gross-up and credit system with a refund where the credit exceeded the tax liability, would result in few, if any, resident shareholders paying any tax at all on dividend income, and almost certainly in most of them receiving a credit against other tax liability, if not indeed a refund cheque.

Now, Mr. Speaker, the purpose of the government in seeking the all party agreement that led to the detailed ways and means motion, which has given Your Honour some problems, was to permit all hon. members to have just as much precise information as possible before them during the budget debate. The Minister of Finance also made clear that he expected interested persons and organizations to take advantage of the summer recess to make further representations in connection with the bill. This invitation would, of course, not have been very meaningful if the government did not intend to pay attention to, and to act upon, these recommendations where they had merit. Well, it was a meaningful invitation, and the government has decided to act upon a number of the representations, and is still considering many others. I would not like to specify any of these at this time if for no other reason than that they cannot all be mentioned. It would be wrong to leave the impression that any not mentioned have necessarily been rejected. In addition, Your Honour will appreciate that government amendments to a tax bill will fall under the general constraint of budgetary secrecy.

Accordingly, I can only assure all persons and organizations who have made known their views on Bill C-259 that those views have or are being very seriously considered and that numerous amendments—my own personal guess is that there will be upwards of 100—will be offered by the government during committee of the whole. I suppose I should apologize in advance to Your Honour, and perhaps more particularly to the chairman and deputy chairman of the committee for the procedural price we may pay for the government's admirable flexibility and continued responsiveness to informed and responsible comment.

It is evident from the speeches made during this week that there has been no fundamental change during the summer since public acceptance of the budget and the tax reform package was made so manifest. Nor has there been any change in the position of the opposition parties. There have been concerns expressed about particular matters. These have or are being considered by the government. They have obviously been communicated to members on all sides of the House. They cannot be dealt

[Mr. Mahoney.]

with during this stage of the proceedings but must await committee of the whole.

• (3:30 p.m.)

Accordingly, I would appeal to the members opposite to stop rehashing their budget debate speeches and let us get on to committee so that we may consider particular items of concern, improve the bill by appropriate amendment and give Canada and Canadians the benefit of the work of a decade. And Mr. Speaker, I hope all members will agree that the business community could not care less about the niceties of parliamentary procedure but it does want to know for certain, just as soon as possible, the tax framework within which it will be operating starting next year. Bourinot, May and Beauchesne may mean something to a lance corporal's guard of individual taxpayers but, for the remaining millions, increased tax exemptions, moving and employment expense allowances, child care deductions and lower taxes are the name of the game. Again, I appeal to all hon. members, let us get on with the job of giving Canada a reformed tax system, a better tax system and, for the great majority of Canadians, lower income taxes.

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, it was a sheer delight to listen to the hon. member for Calgary South (Mr. Mahoney), the Parliamentary Secretary to the Minister of Finance, who has just taken his seat. He alluded to the fact that in his opinion some of the speeches from this side of the House had perhaps been prepared by members of the research staff. I admit that from time to time it is necessary for us to consult with those learned men in connection with specific points in a speech. Listening to the offering of the hon. member, no one could accuse him of using a ghost writer or any research whatsoever. As a man known for his ridiculous presentations to the House, he rose to the ultimate today. The jumbled presentation of statistics, listed in a manner which would serve the government's purpose, leads one to some very strange conclusions.

For instance, he assured the House that even viewing all these serious situations that Canada finds itself in today, in fact Canadians have never had it so good. If we are not prepared to believe this, he left the door open because he said there are some extenuating circumstances. We never had it so good and all indications were that things were going to be better until our neighbour to the south introduced the surcharge. Then for the benefit of those people who could not give any credibility in that statement, he said, "A lot of the unemployment today is attributable to too many babies just after the war". If anyone listening to this speech could pinpoint his birthday in that era, Mr. Speaker, there would be some credibility in that statement.

Mr. Bell: You can't blame Nixon for that.

Mr. Danforth: The decision by our party to propose the amendment we have before us was not taken lightly or facetiously, but was taken after careful consideration of the welfare of Canada and the economic climate which is so important to each and every one of us. This is a tremendous tax measure before us. It is an entire change under the guise of reform in our taxation system. The task of